

Daily Updates

A COVID-19 Vaccine and what it could cost?

As we near the fall and winter, when many have said a COVID-19 Vaccine could be available (some hopeful signs have it as early as Oct. 1 and more realistic ones have it available in January 2021), many people are wondering how much it will cost.

Moderna, the Cambridge, Mass. based company (one of the companies that the U.S. Government has given funds to and is a leader in the vaccine race) already has deals which would set the price between \$32 and \$37 per dose of its coronavirus vaccine in agreements with foreign countries. Americans are hoping the deal with our government will lower the price, but for now consumer advocates fear an unfair deal for U.S. taxpayers.

Moderna CEO Stéphane Bancel said during a conference call last week that the price of the vaccine would come down with larger volume agreements, which was seemingly a nod to lower prices for Americans after the government's deal with the drug manufacturer.

American taxpayers have already forked over \$2.53 billion as part of a deal between Moderna and the U.S. Government last week for 100 million doses with the option to purchase another 400 million when they become available. Therefore, Americans have already given the drug company a great deal of money before they could potentially be charged another \$37.

NPR wrote in an article last week about these prices and the extra strain it will put on taxpayers, many whom have been absolutely devastated by this virus in one way or another over the last 5 months.

Given the upfront investment in the Moderna vaccine by the government, there are sharp questions about its eventual pricing. "It's a classic example

of taxpayers paying twice for medicines," says Zain Rizvi, a law and policy researcher at Public Citizen focused on pharmaceuticals. "Now it wants to turn around and charge those very same taxpayers the highest public price for a potential COVID-19 [vaccine]. That's outrageous."

NPR also wrote about how the prices that have been publicly released with deals that have been completed are between \$4-\$20 a dose, but against the billions in federal money given to these companies, even those prices feel a bit steep.

The federal government also has an agreement with Pfizer to buy 100 million doses, but as Pfizer didn't have any of their money that included research funding, they aren't facing the same stipulation to keep their prices low. Their \$1.95 billion vaccine deal is being developed at Germany's biotech firm BioNTech. Those numbers would break down to \$20 a dose.

AstraZeneca, whose deal with the U.S. government didn't generate a profit, and Johnson & Johnson appear to be the only two companies who won't profit off the vaccine in the short term. Both companies won't mark up the price of their vaccine "during the pandemic" meaning that in the future if we need this every year like a flu shot, the shot will get more expensive as time moves on.

Moderna also seems to be on that same path for pricing of their vaccine in the short term, with plans to change that price as the pandemic period of COVID-19 passes.

"At Moderna, like many public health experts, we believe that SARS-CoV-2 virus is not going away, and that there will be a need to vaccinate people or give them a boost for many years to

come," Bancel told investors.

That pricing is not looked on fondly by those with knowledge of the agreement as NPR points out.

That two-tiered pricing outlook highlights the U.S. government's misstep in failing to add reasonable pricing clauses to its contracts with drugmakers, says Kathryn Ardizzone, a lawyer with Knowledge Ecology International, a nonprofit public interest group that works on intellectual property issues. "The reality is that this is not just a free market arrangement," she says. "The U.S. government has put up a billion dollars towards the development of the vaccine, and in doing so, should have

realized that it has significant leverage and [negotiated] contract terms that are favorable to the American public and worldwide."

A vaccine is needed. If we hope to have any chance of the world returning to normal, we will all have to pay to get a vaccine in order for that to happen.

As we get closer to a vaccine's availability we will learn more about the pricing.

Source: <https://www.npr.org/sections/health-shots/2020/08/06/899869278/prices-for-covid-19-vaccines-are-starting-to-come-into-focus>

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